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FOREIGN SERVICE DESPATCH

COPY NO. 1

FROM : AMEMBASSY, Taipei
TO : THE DEPARTMENT OF STATE, WASHINGTON
DESPATCH NO. 134
September 6, 1955
REF : Embassy Despatch 130, September 1, 1955

For Dept. Use Only	ACTION	DEPT.	INFO	OTHER
	FE	RMR	S/S	C S/PSP
	REC'D 9-13			

OFFICE OF CHINESE AFFAIRS
SEP 15 1955
DEPARTMENT OF STATE

Name of Officer: STATE A/CDC/MR
Direction: DATE 9/8/55
DETERMINED BY DATE
DECLASSIFIED AS INDICATED

SUBJECT: Sun Li-jen.

The September 1 issue of the Free China Fortnightly, a periodical published by Lei Chen, a former member of the liberal wing of the KMT, contained the first editorial to appear in the local press about General Sun's difficulties. Chen is regarded as a constructive but consistent critic of the Government and the KMT. A copy of his editorial is enclosed.

The editorial commences with a carefully worded review of both official announcements and rumors surrounding the case. Although it does not dismiss the charges against Sun directly, it implies that there is more to the case than meets the eye. It is significant, also, that the editorial avoids expressing criticism as the views of the publishers. Rather, it cites the fears of overseas Chinese, whose reactions were "much more violent than the whispers of the people here on Taiwan." The editorial says that "they were surprised at the suspicion leveled against General Sun, they became indignant with the existing factional strife, and they are deeply worried over the future of Free China."

Having made his point clear, the editorialist places President Chiang above criticism (another defensive maneuver to permit subsequent criticism) by saying the appointment of the Commission of Inquiry has shown that "if any sign of a factional strife should be in existence, President Chiang stands outside such factional dissension" and goes on to offer some suggestions to the Commission of Inquiry.

The suggestions are: the inquiry should be thorough. It should include direct examination of Major Kuo and the others involved with him. There should be a direct interrogation of these suspects by the Commission. The hearing should be open to the public.

There are also enclosed, for the Department's use, copies of reports and memoranda concerning the Sun case which the Embassy has examined in its preparation of the despatch under reference but have not been transmitted to the Department. Other reports and memoranda which the Embassy has had access to, but which have been previously

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transmitted to the Department are also listed for the Department's convenience.

The Embassy has also had access to reports prepared by the Army, Air and Naval Attaches to which the Department undoubtedly has had or can have access.

Since the transmission of the despatch under reference, various Chinese who are well known in local business and political circles have continued to speak about General Sun to Embassy officers privately. They are obviously concerned for the fate of the General whom they respect and worried about the future of the country, but fearful of speaking out publicly. In substance they tend to feel that General Sun is the victim of the Chiang Ching-kuo clique because he is able, opposed to the policies of Chiang Ching-kuo and pro-American. They feel the Government will go as far in punishing him as they believe the United States will permit. They say that only a strong reaction from the American Government can save him. The Government, they say, is watching for American reaction. If America lets Sun down it will "mean only one thing to all Chinese, high and low, that the worst thing they can do is to be openly friendly to the United States." An American newspaperman here said the lower strata of Taipei workers, pedicab drivers, etc., consider Sun as a fine man and are uniformly bitter.

Over the past weekend the press reported the Commission of Inquiry had another meeting and expects to complete its work in about a month. It was reported that Sun probably "would be cleared of Communist entanglement." However, the theme of his carelessness in misplacing confidence in unreliable subordinates was also mentioned.

For the Charge d'Affaires, a.i.

Paul W. Meyer

Paul W. Meyer
First Secretary of Embassy

Enclosures:
1. Editorial from Free China.
2. Material sent to the Dept.
3. Memorandum from USIS.
4. Letter addressed to AP, Taipei.

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Translated from the FREE CHINA magazine (Independent), Taipei, September 1, 1955.

WHAT DO WE EXPECT OF ENQUIRY COMMISSION IN SUN LI-JEN CASE?

According to the Central News report of August 20, General SUN Li-jen, Personal Chief of Staff to the President, tendered his resignation as an admission of negligence in connection with the case of the Communist agent KUO T'ing-liang and his resignation was accepted by the President in a mandate of the same date. Under a separate mandate, a Commission of Enquiry composed of CH'EN Ch'eng, WANG Chung-hui, HSU Shih-ying, CHANG Ch'un, HO Ying-ch'in, LU Chung-hsin, WANG Yun-wu, HUANG Shao-ku and YU ta-wei with the first named as its chairman is to be established to conduct a thorough, impartial investigation into the case and submit a report of its findings for consideration and action. With respect to the subversion of Kuo T'ing-liang, Director LU Nan-ju of the Government Information Bureau issued a brief statement which was carried in the August 21 issue of all the vernacular press.

In the two months prior to the release of the foregoing report by the Central News Agency on August 20, there had been circulated all kinds of conflicting reports concerning General Sun Li-jen. Since the facts of the case were made known to the public in a brief form by the government circles, all the conflicting rumors should have been cleared and the public opinion both at home and abroad should have calmed down. However, this was not the case. As will be seen from the foreign news reports such as the UP reports datelined New York August 24 and Bangkok August 26 which appeared in the last few days in several of the overseas papers - the importation of which into Taiwan has been permitted - such as the Hongkong Standard, Sin Tao Jih Pao, Kung Sheung Jih Pao, Wah Kiu Yut Pao, etc., and several editorials such as those of the Hongkong Standard of August 22 and 25 and of the Sin Tao Jih Pao of August 23, the repercussions among the Chinese community abroad were much more violent than the whispers of the people here on Taiwan. They were surprised at the suspicion leveled against General Sun Li-jen, they became indignant with the existing factional strife, and they are deeply worried over the future of Free China. Whether the overseas Chinese should or should not have such surprise, indignation, and worry is another matter, but the existence of such emotions is a fact. The Government must face such realities squarely. In the execution of the struggle against the Communists, political offensive cannot be relaxed at any moment. If the intensification of political offensive is desired, the sentiments and leaning of the 12,000,000 Chinese people abroad (4 million more than the local population) must not be neglected. Besides, the sentiments of these overseas Chinese would seriously affect the attitudes of the foreign powers toward Free China and also the feeling of our compatriots on the mainland toward our government. For this reason, in the Sun Li-jen case we expect a great deal of the commission of

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Enquiry, the organization charged with an "impartial, thorough investigation".

President Chiang's order for the institution of an Enquiry Commission has won the people's respect. This action has led us to feel that if any sign of a factional strife should be in existence, President Chiang stands outside such factional dissension and, at the same time, we feel that the president has likewise found that this is quite a complicated case which calls for further thorough investigation.

Following the establishment of the Enquiry Commission, press report (China News, August 26) states that the Commission has been ordered by the President to give the case a "fair and thorough review". Since the Commission has already begun its functions, we would like to offer the following suggestion on the basis of the President's order for a "fair and thorough review":

It is our opinion that if a fair finding is desired, the investigation must be thorough. In the present case, if a thorough review is to be conducted, a direct investigation should be made of Kuo T'ing-liang and all the other suspects now held in custody who should be directly interrogated either by the Commission itself or jointly with the original trial authorities. The examination of these suspects should be open to the public. Only through the Commission's direct examination could it be called a "thorough" investigation and only with an open trial would the people be convinced that the Commission's investigation was impartial. We feel this process is most important and most essential.

This may be opposed by certain people on the ground that Kuo T'ing-liang is a Communist spy whose trial must be held in camera. Such an argument is very weak indeed. First, with respect to the examination of the case directly by the Commission, the public should know that the Commission is organized to conduct impartial, thorough investigation and submit its findings which may be accepted by the people with full confidence. What explanation would you offer if the Commission established with the confidence of the people cannot be trusted by the authorities and has to hold its record in confidence in the course of its investigation? We have, therefore, every reason to suggest to the Commission that direct investigation must be made of Kuo T'ing-liang and the other suspects. Only with direct examination would the commission be able to proceed with a "thorough" investigation and make a "fair" finding possible. Secondly, with regard to the question of holding the trial openly, as far as the Kuo T'ing-liang case is concerned, at the present stage there is no longer any necessity to hold examination of the case in secret. Frankly speaking, all the conflicting reports which have been afloat in Taiwan and abroad came from the people's doubting state of mind which is, in fact, originated from these secret trials. All the people's apprehensions would be removed if these trials could be open to the public as was in the trial of Rosenberg in the U.S.

In short, the Sun Li-jen case has caused considerable world-wide interest and concern. Whether the outcome will turn out favorably or unfavorably depends upon the result of the finding of the 9-man Commission. All the nine members of the Commission are highly respectable statesmen in Free China. We should have every confidence in these people that they will conduct a thorough investigation and determine the right and wrong of every suspect who has been brought before justice. We should put our trust in them that they will reach a fair conclusion without vacillation, fear, coercion, or influence.

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MATERIAL SENT TO THE DEPARTMENT

1. Conversation with Mr. Bolton, August 25.
2. Conversation with Mr. Yeh, August 25.
3. Conversation with German Businessmen, August 19.
4. Conversation with German Businessmen, August 22.
5. Conversation with Mr. Fessler, August 22.
6. Conversation with Mr. Chiang Yun-t'ien, August 31.
7. Conversation with Mr. G. M. Yang, August 31.
8. Memorandum from George Gurow, ICA, August 23.

MATERIAL ENCLOSED WITH THIS DESPATCH

1. USIS report from Southern Taiwan, August 30.
2. Letter to local AP Correspondent, August 24.

MATERIAL PREPARED BY OTHER U.S. AGENCIES HERE

[redacted] 3011(c)
2. A Formosa Liaison Center Report.
3. Reports by Air, Naval and Army Attaches.

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MEMORANDUM

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TO: The Embassy

FROM: USIS

SUBJECT: Opinion in Southern Taiwan Concerning General Sun.

Opinion in southern Formosa with respect to the resignation of General Sun Li-jen as personal Chief of Staff to President Chiang Kai-shek is subdued but at the same time indignant, resentful and highly skeptical. Mainland Chinese here, civilians and military alike, discount very strongly any actual communist influence in the recent development and insist that if any anti-communist and at the same time anti-nationalist movement has developed among junior military officers, General Sun must be innocent of any knowledge of it.

Consensus here is that General Sun is the victim of a concerted effort on the part of General Chiang Ching-kuo (President Chiang's elder son), General Peng Meng-chi (recently named to a full term as Chief of the General Staff after serving for nearly a full year as acting Chief of the General Staff), and General Hu[illegible] Chieh, Commander of the Army Ground Forces, to so completely discredit Sun that he could never again hold a position of responsibility under this government. The story goes that these officers and others of like mind have long been envious of Sun's superior professional attainments and accomplishments and jealous and fearful of his increasing stature and appeal to the professionally minded elements in the Chinese Armed Forces. In the commands he has held since the removal of the government to Formosa General Sun has had remarkable opportunities to impress younger officers with his ability, character and competence and the increasing respect and admiration in which he has come to be held has been noted by those who want to retain control of the Army as an instrument for furthering their own ends.

It is argued that the anti-Sun group exerted all of its efforts to get General Peng appointed as acting Chief of the General Staff on the death of General Kwei Yung-chin and immediately began a campaign to that position. General Sun has never enjoyed the full confidence or support of President Chiang, who places great importance upon the issue of personal loyalty and allegiance, according to these sources, since he has often been frank and outspoken to an uncomfortable degree and intolerant of accepted and traditional conditions in the Armed Forces which he considered wasteful and unprofessional.

The extent to which he has been considered almost an American protege and enjoyed the confidence and respect of American officials has not tended to strengthen his position in Chinese circles and is

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considered here as a factor in his downfall.

No one here professes to know the whole story but there is almost unanimous agreement that even if the major who had served with General Sun for a long period of time has actually been engaged in a plot to overthrow the government or to take the life of the president, General Sun is innocent of any knowledge of the matter or any complicity in that connection.

It is widely felt that the whole affair is indicative of a blind, rapacious struggle for control of the party and government with a concomitant disregard of principle and the true interests of the country. It is generally agreed that the net result of the affair will be a very serious lowering of the morale of the Armed Forces and the civilian population as well. Some quarters describe the reaction to the situation as a compound of disgust and despair.

Some observers suggest that if the whole affair has been fabricated just to eliminate Sun Li-jen the net result may be the creation of actual plots similar to the alleged one which led to Sun's resignation.

Attitudes toward the commission formed to investigate the matter vary but the general one seems to be that of apathy. Most informants do not feel that any finding of the commission would be sufficient to restore General Sun to active duty in a position of responsibility. They feel that any other finding will be futile. A conclusion that General Sun is not guilty of any direct involvement but bears a responsibility for not learning of the movement and putting a stop to it will just be regarded as a success for those who wanted to remove him from the scene, while a finding of personal guilt and complicity on his part would probably be widely disbelieved.

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LETTER TO AP, TAIPEI

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Regarding Sun Li-jen case, the general public begets an unfavorable reaction to the handling of the case by the Government. This reaction may be summarized as follows:

1. There is no historical precedent, where a person is responsible for any act in violation of the law by his subordinate. If that is the case, why were the responsible superiors not punished, when Deputy Minister of National Defense General WU Shih and Director LI Yu-pang of the Taiwan Provincial Headquaters of KMT (also a Lt. Gen.) were shot as communist agents? It is obvious that there are other motives, when such measures were taken against Sun Li-jen.

2. So-called "Investigation Committee" does not actually exist. For example, HO Yin-chin is in Japan; HSU Shih-ying has one leg amputated and he can hardly move. Others, such as WANG Tsung-hui, WANG Yun-wu and WU Chung-hsin are all too old to conduct personal investigation. The entire responsibility falls therefore entirely on CHEN Cheng. It is well know that there is no love lost between CHEN and SUN. This would be an opportunity for CHEN to stage a revenge. So-called "impartiality" does not exist. It is an obvious attempt for the government to use other persons' hand to get rid of those that are not one of them.

3. Also, SUN does not have good relations with CHIANG Ching-kuo and PENG Meng-chi. They are all heads of secret service. They could have easily produced false evidence against General SUN.

4. It was reported that in April or May this year, Gimo hinted at a KMT Standing Committee meeting that SUN would be Chief of General Staff. Shortly after that KUO Ting-liang case happened. It obviously points to the possibility that this is a PENG Meng-chi scheme to damage SUN.

5. With regard to Vice Foreign Minister SHEN Chang-huan's trip to U.S. to explain the case, it clearly indicated that this was a calculated scheme undertaken by the government. They wanted everybody to think that SUN is guilty so as to avoid the blame of getting rid of person that is not one of them. If Sun is really guilty, why is he not tried by law?

6. Your agency's reporting using the word "impartial" regarding the "Investigation Committee" indicates that you have been deceived by their tricks.

A reader

24 August 1955.

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